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## DIRECTORATE OF INTELLIGENCE

20 November 1987

Pakistan: Prospects for Political Stability [REDACTED]

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Summary

President Zia's domestic political opposition is badly divided and not now capable of effectively challenging either him or Prime Minister Junejo. The opposition has not been able to profit from the Afghan sponsored bombing campaign. Moreover, Junejo's Pakistan Muslim League will prevail in the municipal elections scheduled for 30 November. Friction may be growing between Zia and Junejo as the Prime Minister seeks to broaden his authority, but we do not believe that the two leaders are close to falling out. [REDACTED]

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Over the next two years, Zia and Junejo will be faced by potentially serious challenges to Pakistan's long-term political stability. Some accommodation with Benazir Bhutto that would allow her party to be reintegrated into the political system would go far toward meeting the grievances of the opposition. The government also must address ethnic and sectarian discontent, particularly in Sind Province with its Shia minority. [REDACTED]

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President Zia and Prime Minister Junejo benefit greatly from the weakness and divisions of their domestic political opposition. The strongest opposition party remains the Pakistan People's Party (PPP) led by Benazir Bhutto. We believe, however, that the PPP has not regained the momentum it forfeited in August 1986 when Bhutto sought and lost a test of power on the streets with the government. [REDACTED]

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The PPP has serious organizational problems that we believe blunt its ability to capitalize on Benazir's personal popularity and the veneration many Pakistanis feel for her late father. Particularly in the crucial Punjab Province, the PPP has suffered a serious loss of second-rank leaders--many to the ruling Pakistan Muslim League--according to the US Consulate in Lahore. The impact of these losses was recently illustrated by the PPP's humiliating defeat in a September National Assembly by-election in Punjab that even Benazir admitted was conducted fairly.

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Bhutto also has had little success in uniting other Zia and Junejo foes who share little beyond their opposition to the government:

- The most recent effort to unite the extra-parliamentary opposition, an "All Parties" conference convened in mid-August, was a failure, according to US diplomats.
- Benazir has since begun to ease her party away from the Movement for the Restoration of Democracy (MRD), an uneasy coalition of anti-Zia parties which do not recognize the administration's legitimacy.

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Benazir is also courting two opposition blocks in parliament:

- The Jamaat-i-Islami, a well organized, conservative religious party that has feuded with Junejo over religious legislation and control of the Karachi Municipal Corporation.
- The center-left Parliamentary Opposition Group, whose members have been frustrated by their lack of influence in parliament.

Although both have been willing to flirt with the PPP, neither has shown any inclination to quit parliament. We believe that their leaders suspect that Bhutto is merely seeking to exploit their discontent for her gain.

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#### The Impact of the Bombing Campaign

Major opposition political leaders, such as Bhutto, have been reluctant to exploit the increased Afghan bombing campaign for political advantage. Through mid-November, we estimate nearly 300 persons have died and 1,300 have been injured by bombings--double the 1986 toll. We assess the opposition does not want to spark a popular counterreaction, particularly among Punjabis who might repudiate them for weakening the nation in the face of an external enemy. The opposition's thinking undoubtedly is influenced by the memory of the August 1983 MRD civil disobedience campaign when Zia successfully discredited it after Prime Minister Indira Gandhi endorsed its goal of new elections.

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Minor opposition leaders who have tried to turn the bombing campaign to their advantage by visiting Kabul, endorsing Kabul's program of national reconciliation, or calling for a change in Pakistan's Afghan policies have found their opportunism ineffective or counterproductive. Awami National Party leader Wali Khan, a pro-Soviet leftist who has long advocated recognizing the Kabul regime and ending assistance to the Afghan resistance, has been unable to broaden his appeal beyond a narrow following in the North West Frontier Province (NWFP). Retired Air Marshal Asghar Khan, the chairman of the Tehriq-Istiklal Party, visited Kabul in early September. According to the US Consulate in Lahore, Asghar Khan thought this move would revive his fading political fortunes, but it precipitated the breakup of his party. Other opposition leaders, including Bhutto, have declined subsequent invitations to visit Kabul. [REDACTED]

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### The Local Bodies Elections

The PPP sees the municipal elections scheduled for 30 November as its best opportunity to regain momentum. The PPP did well in the 1979 elections, winning more than two-thirds of the races. In 1983, however, the party adhered to a decision by the MRD to boycott local elections. PPP leaders concede this was a major tactical error because it caused a mass exodus from the party. Determined not to repeat their mistakes, PPP leaders have announced the party will back "democratically minded candidates"--an effort to evade restrictions on party labels in the balloting. US diplomats note this decision was taken without first seeking the approval of the PPP's allies in the MRD, further alienating the PPP from them; some have already announced that they will not participate in the elections. [REDACTED]

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Two facets of the municipal elections are likely to work to the PPP's disadvantage. The elections will be fought on local issues and will be cast largely in terms of popularity contests between local community leaders, thus blunting the coattail effect of Benazir's strong personal appeal. The local and municipal councilors who will be elected are dependent upon the provincial and federal governments--firmly controlled by Junejo's Pakistan Muslim League (PML)--for their funds, increasing the voters' incentive to elect candidates known to enjoy PML support and tempting non-PML victors to join that party. [REDACTED]

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The best hope for the PPP is that the government may be overconfident. The PML also suffers from organizational problems [REDACTED]

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### The Zia-Junejo Relationship

Tensions are growing between the President and Prime Minister, but we believe they are far from a break.

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A break is unlikely because it would be too costly for both Junejo and Zia. Junejo knows that he is beholden to Zia for his rise to power. Although he may be uncomfortable with this reality, we speculate that he believes an open rupture would force the Army to side with the President. For his part, Zia is probably disappointed that Junejo has not proven a more effective leader. Nevertheless, Zia has staked much of his prestige on the success of the parliamentary system he created. Removal of Junejo would be an admission of failure.

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### Over the Longer Term

The government will have to come to terms with Benazir Bhutto and the PPP, even if her party does not do well in the local elections. For example, opinion polls, which we suspect understate the party's appeal, have consistently shown that one-third of the public supports the PPP. We believe Benazir has been pursuing a policy of legitimization by stifling the radicals in her party and rejecting the politics of confrontation. She has also rejected the radicals' advice to break sharply with the government's Afghan policies and to denounce its ties to the United States. We believe this strategy is aimed at building PPP legitimacy in Punjab prior to the 1990 elections. Benazir is gambling that she can position herself as a moderate nationalist, compelling Zia and Junejo to either drop their antipathy to her or be forced by public pressure to let the PPP into the system.

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Zia and Junejo must also address Pakistan's simmering ethnic and sectarian conflicts. Although we do not believe that these societal divisions threaten the breakup of the country, they have the potential to

seriously debilitate Pakistan. Two developments illustrate this trend that we believe is likely to continue:

- The rise of the anti-Pushtoon Muhajir Quami Movement that promotes the cause of Muhajirs, Muslims of Indian origin, and has been a major factor in repeated rioting between Muhajirs and Pushtoons in Karachi during the last year.
- The transformation of the Tehrik-e-Nifaz-e-Fiqh-e-Jaffria in 1987 from a Shia pressure group into a political party that has spawned the creation of small, militant Sunni parties in reaction to Shia militancy.

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Troubled provincial/federal government relations in Sind and the North West Frontier Province (NWFP) are also likely to be a destabilizing factor. A recent assessment by the US Consulate in Karachi concludes that the federal government has been quite successful in lowering discontent against it in Baluchistan, primarily through development programs and a wide measure of autonomy to local leaders. Partly as a result of their refusal to compromise with the PPP, Zia and Junejo have not pursued a similar policy in Sind Province. Since 1983, rural Sind has grown increasingly ungovernable and alienated from Islamabad, according to US diplomatic reporting. The record is mixed in the NWFP where concerns generated by the Soviet occupation of Afghanistan have probably driven Pushtoons closer to the federal government. Controversial programs such as the projected Kalabagh Dam--attacked as a Punjabi scheme to divert water from the NWFP--are a reminder that tensions can easily be revived.

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Zia and Junejo also could face serious economic problems during the next two years. Pakistan relies heavily on agricultural products for export income; adverse weather would reduce already low foreign exchange earnings. Remittances from Pakistani workers in the Gulf are expected to remain at a depressed level--last year remittances fell 11 percent. Returning workers are likely to aggravate unemployment problems, especially because Gulf workers are more skilled than the average local Pakistani, and returning workers would be looking for highly skilled jobs that are in short supply.

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SUBJECT: Pakistan: Prospects for Political Stability

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